



**Environmental Services Division**  
**Energy and Waste Management Bureau**

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**SEPTEMBER GASOLINE PRICES DROP; CONSUMERS SET ETHANOL RECORD SALES**

DES MOINES — Gasoline prices across Iowa continued to decline during September as inventories remained higher than normal.

“The end of the summer driving season brought consumers lower gasoline prices compared to earlier in the season,” said Tami Foster, energy planner for the Iowa Department of Natural Resources. “However, with recent drops in crude oil inventories and the continued instability in the market, prices could again become volatile.”

According to the DNR’s September 15 fuel price survey, gasoline prices were \$0.04 lower than one month ago, averaging \$1.76 for a gallon of self-serve, regular unleaded gasoline. Prices across the state ranged from \$1.66 to \$1.90 per gallon and averaged \$0.17 higher than this time last year.

The average price for regular unleaded gasoline blended with ethanol was \$1.74 per gallon.

Consumers set a record for ethanol sales in July, the latest month for which purchasing data is available, buying 95,412,575 gallons. The previous record was 92,280,515 gallons sold in May.

“Ethanol is being purchased more and more since gasoline prices shot up earlier this spring,” said Foster. “This benefits Iowa’s economy since ethanol is produced locally.”

Ethanol-blended gasoline currently represents 65 percent of the market share. In comparison, consumers purchased about 84 million gallons in July 2003, taking 60 percent of the market share at that time. All auto manufacturers warrant the E-10 blend of 10 percent alcohol and 90 percent gasoline for use. Many manufacturers, including General Motors and Daimler-Chrysler, recommend the use of oxygenated fuels, such as ethanol, in their vehicles.

Crude oil finished trading on September 15 at \$43.59 per barrel, \$1.21 less than last month. One year ago, crude was \$27.03 per barrel.

The average price of self-serve diesel fuel on September 15 was \$1.88, up \$0.07 from last month. Diesel fuel was \$1.52 per gallon one year ago.

“The higher diesel prices this year are tied to the ongoing volatility in the crude oil market,” said Foster.

To help consumers improve fuel efficiency, the Iowa DNR has placed tips and information on fuel savings and alternative fuels on its website at [www.iowadnr.com](http://www.iowadnr.com). Tips include driving more efficiently, keeping vehicles tuned up and planning and combining trips. Consumers can also choose ethanol at the pump, purchase E85 for flexible fuel vehicles and choose biodiesel blends for diesel vehicles.

According to the DNR’s September 15 fuel price survey, the average retail price of No. 2 heating oil was \$1.49 per gallon, \$0.02 higher than last month and 31.9 percent above the price of heating oil at this time last year (\$1.13 per gallon). Midwest heating oil inventories are 8.4 percent higher than this time last year.

The survey reported the average retail price of propane was \$1.15 per gallon, \$0.01 lower than the previous month but 19.8 percent above the retail price of propane at this time last year (\$0.96 per gallon). Midwest propane inventories are 11.2 percent higher than last year at this time.

On September 16, natural gas was trading at \$5.21/MMBtu, \$0.09 lower than last month. Natural gas prices moderated slightly during this late summer period due to cooler temperatures, which meant less use of natural gas-fired electric generation. However, prices are expected to remain high throughout the rest of 2004 due to strong overall demand and high petroleum prices.

#### MOTOR FUELS SURVEY

<b>Self-Serve</b>	<b>September 15</b>	<b>August 15</b>	<b>Change</b>
Regular Unleaded	1.76	1.79	-0.03
Regular Unleaded with Ethanol	1.74	1.78	-0.04
Premium Unleaded	1.87	1.90	-0.03
Diesel	1.88	1.81	+0.07
<b>Full-Serve</b>	<b>September 15</b>	<b>August 15</b>	<b>Change</b>
Regular Unleaded	1.94	1.95	-0.01
Regular Unleaded with Ethanol	1.92	1.95	-0.03
Premium Unleaded	2.01	2.05	-0.04
Diesel	1.95	1.91	+0.04

#### HEATING FUELS SURVEY

	<b>September 15</b>	<b>August 16</b>	<b>Change</b>
Propane	1.15	1.16	-0.01
#2 Heating Oil	1.49	1.47	+0.02
Natural Gas	5.21	5.30	-0.09

#### AVERAGE SELF-SERVE UNLEADED PRICES IN MAJOR CITIES

	<b>September 15</b>	<b>August 15</b>	<b>Change</b>
Ames	1.71	1.78	-0.07
Cedar Rapids	1.80	1.79	+0.01
Council Bluffs	1.70	1.78	-0.08
Davenport	1.69	1.77	-0.08
Des Moines	1.69	1.77	-0.08
Dubuque	1.79	1.80	-0.01
Fort Dodge	1.82	1.86	-0.04
Iowa City	1.82	1.83	-0.01
Sioux City	1.73	1.77	-0.04
Waterloo	1.70	1.72	-0.02
Webster City	1.84	1.89	-0.05
Average Metro Price	1.75	1.79	-0.04

#### AVERAGE SELF-SERVE UNLEADED PRICES IN RURAL IOWA

	<b>September 15</b>	<b>August 15</b>	<b>Change</b>
Northeast	1.76	1.77	-0.01
Northwest	1.79	1.82	-0.03
Southeast	1.75	1.75	-
Southwest	1.77	1.82	-0.05
Rural Area Average	1.77	1.79	-0.02

#### WHOLESALE PRICES IN METROPOLITAN AREAS AROUND IOWA

<b>Unleaded (cents per gallon)</b>	<b>September 9</b>	<b>August 5</b>	<b>Change</b>
Des Moines	124.19	128.23	-4.04
Dubuque	125.30	129.31	-4.01
<b>Diesel Fuel (cents per gallon)</b>	<b>September 9</b>	<b>August 5</b>	<b>Change</b>
Des Moines	129.86	125.44	+4.42
Dubuque	130.00	125.72	+4.28